

## 1999 ASSEMBLY BILL 584

November 9, 1999 – Introduced by Representative VRAKAS, cosponsored by Senator WIRCH. Referred to Committee on Rules.

- 1     **AN ACT** *to amend* 40.73 (1) (am) and 40.73 (1) (c) of the statutes; **relating to:**  
2     death benefits under the Wisconsin retirement system.

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### ***Analysis by the Legislative Reference Bureau***

1999 Assembly Bill 495 made numerous changes to benefits provided to participants in the Wisconsin retirement system (WRS). One of the changes was to increase the value of death benefits provided to a beneficiary of a WRS participating employee. Under 1999 Assembly Bill 495, the beneficiary of a participating employee who, at the time of death, was under the age of 55, or under the age of 50 if he or she was a protective occupation participant, was entitled to receive a death benefit equal to the the sum of the additional contribution and twice the employee required contribution accumulations credited, including any interest credited to the accumulations, to the participant's account. However, an unintended effect of this change in 1999 Assembly Bill 495 was that an estate (or any other nonnatural person) could not be named the beneficiary of a participating employee who at the time of death was the age of 55 or older, or was the age of 50 or older if he or she was a protective occupation participant. This bill corrects this unintended effect, permitting an estate (or any other nonnatural person) to be the beneficiary of a participating employee who at the time of death was the age of 55 or older, or was the age of 50 or older if he or she was a protective occupation participant.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

**ASSEMBLY BILL 584****SECTION 1**

1           **SECTION 1.** 40.73 (1) (am) of the statutes, as created by 1999 Wisconsin Act ...  
2           (Assembly Bill 495), is amended to read:

3           40.73 (1) (am) Upon the death of a participating employee ~~who has not attained~~  
4           ~~age 55, and any protective occupation participant who has not attained age 50, except~~  
5           ~~as otherwise provided by par. (c),~~ the sum of the additional contribution and twice  
6           the employee required contribution accumulations credited, including any interest  
7           credited to the accumulations, to the participant's account on the beneficiary annuity  
8           effective date or, in the case of a lump sum payment, the first day of the month in  
9           which the death benefit is approved.

10          **SECTION 2.** 40.73 (1) (c) of the statutes, as affected by 1999 Wisconsin Act ...  
11          (Assembly Bill 495), is amended to read:

12          40.73 (1) (c) Upon the death of a participating employee who, prior to death, met  
13          ~~all of the requirements~~ applicable minimum age under s. 40.23 (1) ~~except~~  
14          ~~termination of employment and the filing of an application~~ (a) (intro.), if the  
15          beneficiary to whom a death benefit is payable is a natural person, or a trust in which  
16          the natural person has a beneficial interest, the present value on the day following  
17          the date of death of the life annuity to the beneficiary which would have been payable  
18          if the participating employee had been eligible to receive a retirement annuity,  
19          computed under s. 40.23 or 40.26, beginning on the date of death and had elected to  
20          receive the annuity in the form of a joint and survivor annuity providing the same  
21          amount of annuity to the surviving beneficiary as the reduced amount payable  
22          during the participant's lifetime. If there is more than one beneficiary the amount  
23          of the annuity and its present value will be determined as if the oldest of the  
24          beneficiaries were the sole beneficiary. If the death benefit payable to the beneficiary  
25          under this paragraph would be less than the amount determined under par. ~~(b)~~ (am)

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1 the death benefit shall be payable under par. ~~(b)~~ (am) and this paragraph shall not  
2 be applicable to the beneficiary. An annuitant receiving an annuity only under s.  
3 40.24 (1) (f), which annuity was an immediate annuity, shall be deemed a  
4 participating employee for purposes of this paragraph only, but the amount payable  
5 under s. 40.24 (1) (f) shall not be changed.

6 **SECTION 3. Initial applicability.**

7 (1) This act first applies to the payment of death benefits for participants in the  
8 Wisconsin retirement system who are participating employees in the Wisconsin  
9 retirement system on the effective date of this subsection.

10 **(END)**